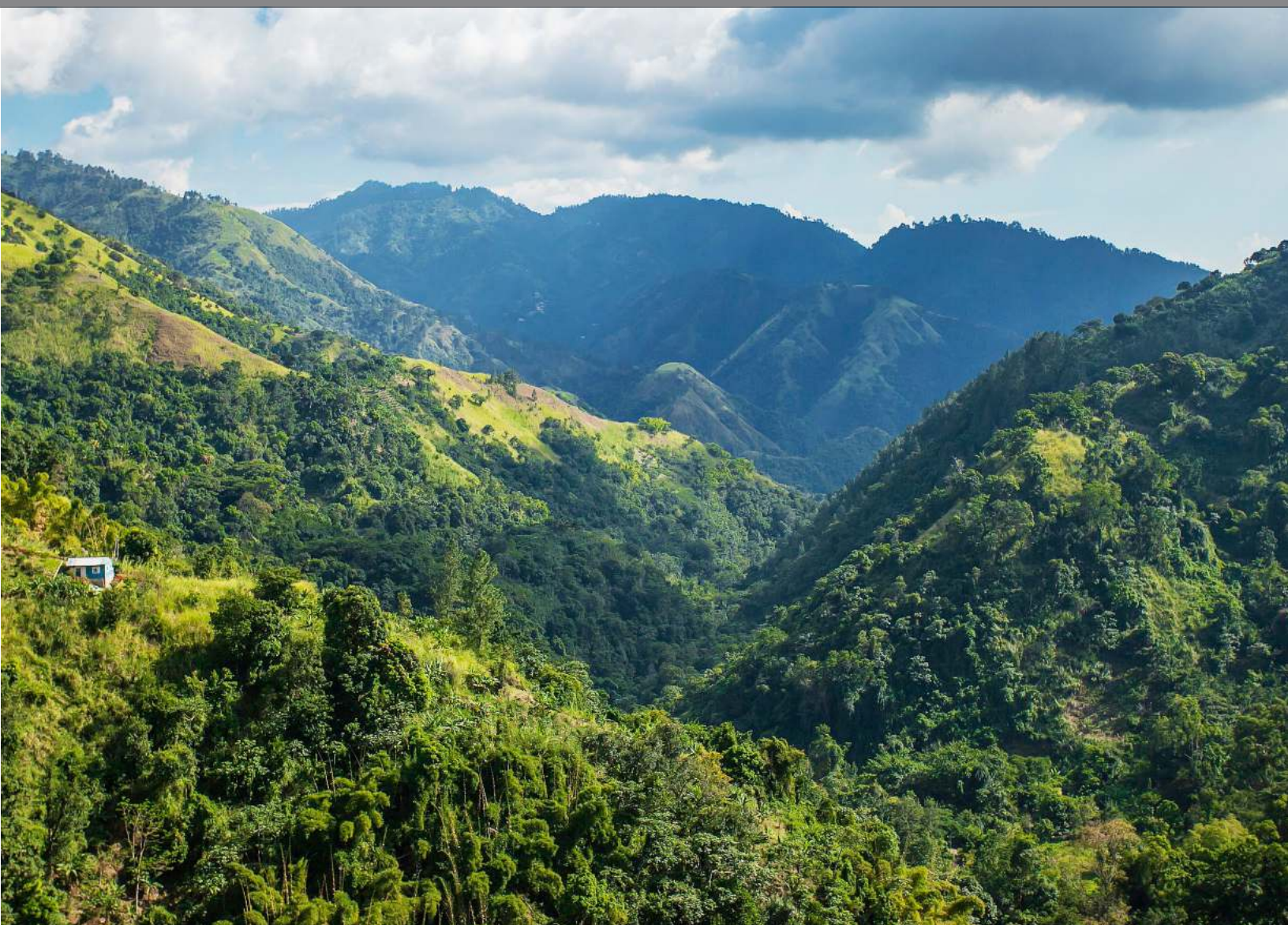
MAYBERRY JAMAICAN EQUITIES

Q3 2018

UNAUDITED FINANCIAL RESULTS



MANAGING DIRECTOR'S COMMENTARY ON FINANCIAL RESULTS

(represented in J$)

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2018.

J$6.76 billion in Total Comprehensive Income for the 9-month period ended September 30, 2018

Following a successful Initial Public Offering (IPO) and capital injection of J$908 million, Mayberry Jamaican Equities Limited (MJE) was welcomed on the Jamaica Stock Exchange on July 31, 2018.

Back row: L-R: Christopher Berry - Chairman, MJE; William Berry; Gary Peart - CEO, Mayberry Investments Ltd.

Front row: L-R: Konrad Berry - Director, MJE; Marlene Street-Forrest - Managing Director, Jamaica Stock Exchange; Natalie Augustin - Managing Director, MJE.

The Board of Directors of the company is pleased to share its Unaudited 3rd Quarter 2018 financial results for the months July – September 2018.

Q3 2018 HIGHLIGHTS

- **Total Comprehensive Income – J$4.25B**
- **Total Revenue, net of interest expense, – $657.8M**
- **Net Profit - J$250M**
- **Net Book Value per share – J$13.01**

YTD 2018 HIGHLIGHTS

- **Total Comprehensive Income – J$6.76B**
- **Total Revenue, net of interest expense, – J$1.26B**
- **Net Profit - J$690M**
- **Net Book Value per share – J$13.01**

INVESTMENT ENVIRONMENT

The company currently holds shares in 31 companies listed on the Main and Junior Markets of the Jamaica Stock Exchange (JSE).

For Q3 2018, the JSE Main Market Index grew by 52,584 points or 17.2% up from 305,736 points to 358,320 points when compared to Q2 2018. The JSE Junior Market also grew by 358 points or 11.8% at the end of September 2018 to 3,395 points. Both markets continue to reflect increased activity.

Jamaica's macroeconomic indicators remained positive for the 3rd Quarter with the Net international reserves above adequate levels at US$3.03B, fiscal performance continued to be strong and market interest rates were at record lows. As institutional investors continue to raise capital in the market, the Jamaica Stock Exchange maintained its strong ranking when compared to other exchanges worldwide.

FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	**Quarter ended 30 September 2018 (J$'000)**	**Quarter ended 30 September 2017 (J$'000)**	**Change (J$'000)**	**% Change**
Total Assets	18,425,726	7,468,769	10,956,956	146.7%
Total Liabilities	2,798,057	59,806	(2,738,251)	-4578.5%
Stockholders' Equity	15,627,669	7,408,963	8,218,705	110.9%
Net Book Value Per Share	$13.01	$6.17	$6.84	110.9%

Total assets grew to $18.4B for the 3rd quarter 2018 compared to $7.5B for the comparative quarter 2017. This represents a J$10.9B increase or 146.7% in our asset base due mainly to increased value of quoted equities, particularly, Lasco Financial Services Limited, Caribbean Producers (Jamaica) Limited, Blue Power Group Limited, Iron Rock Insurance Company Limited and Supreme Ventures Limited.

Total Liabilities increased over 3rd quarter 2017 by J$2.74B to J$2.8B or 45.8 times. This resulted from an increase in Accounts Payables of $444 million and the addition of a Corporate Loan Note of $2.2B during the period.

SHAREHOLDERS' EQUITY

MJE's capital base continues to grow and remains in good standing, resulting from higher profitability, with Retained earnings moving from J$3.8B to J$5.6B and Fair value reserves of J$8.6B, up from J$2.1B.

NET ASSET VALUE (NAV)

Net Book Value per share moved to J$13.01, a 110.9% increase over the corresponding period in 2017, due to an increase in Equity Investments of $11.23B. This represents a balance of $16.95B as at September 30, 2018 moving from $5.72B at the end of 3rd quarter 2017.

OVERALL PERFORMANCE

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	**Quarter ended 30 September 2018 (J$'000)**	**Quarter ended 30 September 2017 (J$'000)**	**Change (J$'000)**	**% Change**
Net Interest Income and Other Revenues	657,795	23,000	634,795	2759.9%
Operating Expenses	389,642	7,872	(381,771)	-4849.9%
Share of Profit/losses in Associate Companies	0	51,053	(51,053)	-100.0%
Profit before Taxation	268,153	66,181	201,971.60	305.2%
Net Profit	249,505	65,384	184,122	281.6%
Other Comprehensive Income	3,996,268	229,830	3,766,439	1638.8%
Total Comprehensive Income	4,245,774	295,213	3,950,560	1338.2%
Earnings Per Share (EPS)	$0.21	$0.05	$0.16	301.3%

Our revenue performance for this quarter experienced significant growth as MJE reported an after-tax profit of $250 million for the quarter ended September 30, 2018. This resulted in Earnings per share (EPS) of J$0.21 and represented a 3 times increase over the same period in 2017.

This was mainly due to the revaluation of the equities classified as Fair Value through Profit or Loss (FVPL).

TOTAL COMPREHENSIVE INCOME

Total comprehensive income for Q3 amounted to $4.25B, compared to $295 million for the corresponding quarter of 2017; an increase of $4.0B or 13 times. This was due to an increase in the Equity Reserve, resulting from revaluation gains booked for stocks held in the current portfolio.

TOTAL REVENUES

Net Revenues increased by $634.8 million over the corresponding period last year, to reach $657.8 million. This increase was driven by a 100% increase in unrealized gain on investment revaluation, in addition to Dividend Income increasing by 138.4% or J$40.3 million. Dividend Income earned resulted mainly from holdings in Supreme Ventures Limited, Caribbean Producers (Jamaica) Limited, Jamaica Money Market Brokers Limited and Blue Power Group Limited.

OPERATING EXPENSES

Operating expenses increased by $381.7 million or 48 times when compared to the corresponding quarter in 2017 due to incentive and management fees for Investment management services and, also, Legal and Professional fees for the Corporate loan note.

Mayberry Jamaican Equities Limited takes this opportunity to thank all our shareholders and Board of Directors for your support in the Initial Public Offering (IPO) and for your contribution to the success and positive results of the 3rd quarter.

Natalie Augustin
Managing Director

STATEMENT OF PROFIT OR LOSS

AS AT 30 SEPTEMBER 2018

	UNAUDITED 3 Months ended 30 September 2018 J$'000	UNAUDITED 3 Months ended 30 September 2017 J$'000	UNAUDITED 9 Months ended 30 September 2018 J$'000	UNAUDITED 9 Months ended 30 September 2017 J$'000	AUDITED 12 Months ended 31 DECEMBER 2017 J$'000
Net Interest Income and Other Revenues					
Interest income	575	3,968	1,525	(28,620)	24,104
Interest expense	(21,232)	(6,540)	(62,857)	(14,855)	(19,798)
Net Interest income	**(20,657)**	**(2,573)**	**(61,331)**	**(43,475)**	**4,306**
Dividend Income	69,472	29,147	295,775	65,256	147,727
Net Trading Gains/(Losses)	(2,706)	(11,522)	(2,840)	1,172	(52,535)
Realised Gain on disposal of Associates	-	-	-	-	70,021
Unrealised (loss)/gain on investment revaluation	615,735	-	1,033,854	-	1,138,994
Net Foreign Exchange Gain / (Loss)	(4,050)	7,949	(5,836)	9,316	15,181
Impairment write-off	-	-	-	-	(803,026)
Other Income	-	-	-	-	10,054
	657,795	**23,000**	**1,259,622**	**32,268**	**530,721**
				-	
Operating Expenses:					
Other operating expenses	389,642	7,872	547,528	35,973	264,580
	389,642	**7,872**	**547,528**	**35,973**	**264,580**
Share of Profits in Associate	-	51,053	-	**94,559**	134,471
(Loss)/Profit before Taxation	**268,153**	**66,181**	**712,094**	**90,854**	**400,612**
Taxation (charge) / credit	18,648	798	21,901	6,436	11,548
NET PROFIT	**249,505**	**65,384**	**690,192**	**84,418**	**389,064**
OTHER COMPREHENSIVE INCOME					
Financial Reserve	3,996,268	229,830	6,068,569	723,531	1,878,695
Other Comprehensive Income, Net of Tax	**3,996,268**	**229,830**	**6,068,569**	**723,531**	**1,878,695**
TOTAL COMPREHENSIVE INCOME	**4,245,774**	**295,213**	**6,758,762**	**807,950**	**2,267,759**
Number of Shares in issue	**1,201,149**	**1,201,149**	**1,201,149**	**1,201,149**	**1,201,149**
Earnings per share	**0.21**	**0.05**	**0.57**	**0.07**	**0.32**

BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the audited financial statements for the year ended 31 December 2017.

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	UNAUDITED SEPTEMBER 30, 2018		UNAUDITED SEPTEMBER 30, 2017		AUDITED DECEMBER 31, 2017
ASSETS	J$'000		J$'000		J$'000
CASH RESOURCES	1,370,081		202,387		194,458
INVESTMENTS	16,951,127		5,726,063		9,270,573
INVESTMENT IN ASSOCIATE	-		1,375,888		-
INTEREST RECEIVABLE	-		334		3,615
INTERCOMPANY	391		110,893		-
OTHER RECEIVABLES	104,127		53,204		185,924
TOTAL ASSETS	**18,425,726**		**7,468,769**		**9,654,570**
LIABILITIES AND EQUITY					
LIABILITIES					
INTERCOMPANY	-		3,870		497,837
DEFERRED TAX	96,469		21,231		40,780
INTEREST PAYABLE	6,472		144		810
ACCOUNTS PAYABLES	476,042		32,487		250,523
LOANS	2,200,000		-		-
TAXATION PAYABLE	19,074		2,076		(4,152)
TOTAL LIABILITIES	**2,798,057**		**59,806**		**785,798**
STOCKHOLDERS EQUITY					
SHARE CAPITAL	1,468,027		1,468,027		1,468,027
PREFERENCE SHARES	135		-		-
INVESTMENT REVALUATION RESERVE	8,573,539		2,116,537		2,929,230
RETAINED EARNINGS	5,585,968		3,824,399		4,471,515
	15,627,669		7,408,963		8,868,772
TOTAL STOCKHOLDERS' EQUITY	**15,627,669**		**7,408,963**		**8,868,772**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**18,425,726**		**7,468,769**		**9,654,570**

		2018		2017		2017
Net book Value per Stock Unit	**$**	**13.01**	**$**	**6.17**	**$**	**7.38**

Approved by the Board of Directors for issue on 9th October, 2018 and signed on its behalf by:

Christopher Berry
Chairman

Natalie Agustin
Managing Director

STATEMENT OF COMPREHENSIVE INCOME

AS AT 30 SEPTEMBER 2018

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 September 2018 J$'000	3 Months ended 30 September 2017 J$'000	9 Months ended 30 September 2018 J$'000	9 Months ended 30 September 2017 J$'000	12 Months ended 31 DECEMBER 2017 J$'000
Profit for the period	249,505	65,384	690,192	84,418	389,064
Other Comprehensive Income for the period net of tax:					
Items that will or maybe classified to statement of income					
Unrealised gains/ (losses)on financial instruments	3,996,268	229,830	6,068,569	723,531	1,878,695
Total Comprehensive income attributable to stockholders	**4,245,774**	**295,213**	**6,758,762**	**807,950**	**2,267,759**

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	SHARE CAPITAL	FAIR VALUE RESERVES	RETAINED EARNINGS	TOTAL
	J$'000	J$'000	J$'000	J$'000
Balance at January 1, 2017	**1,468,027**	**2,099,981**	**3,033,005**	**6,601,013**
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(706,975)	706,975	-
Ordinary dividends paid	-	-	-	-
Total comprehensive income	-	723,531	84,419	**807,950**
Translation adjustment	-	-	-	-
Balance at September 30, 2017	**1,468,027**	**2,116,537**	**3,824,399**	**7,408,963**
Balance at January 1, 2018	**1,468,027**	**2,929,230**	**4,471,515**	**8,868,772**
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(424,260)	424,260	-
Ordinary dividends paid	-	-	-	-
Preference Shares	135			135
Net Profit	-	-	690,192	690,192
Total comprehensive income	-	6,068,569	-	6,068,569
Translation adjustment	-	-		-
As at September 30, 2018	**1,468,162**	**8,573,539**	**5,585,967**	**15,627,669**

STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2018

	UNAUDITED 9 Months ended 30 September 2018 J$'000	UNAUDITED 9 Months ended 30 September 2017 J$'000	AUDITED 12 Months ended 31 December 2017 J$'000
Cash Flows from Operating Activities			
Income before taxation	712,094	90,854	400,612
Adjustments to reconcile profit to net cash used in operating activities:		-	
Interest Income	2,079	(27,540)	(24,104)
Interest Expense	47,081	14,855	19,798
Realized Fair Value (gains)/loss transferred to Retained Earnings	424,260	706,975	1,049,445
Provision for Credit Losses	-	-	-
Unrealized Foreign Exchange Gains	5,836	(9,316)	8,775
Share of results of Associates	-	(94,559)	(134,471)
Realized Gain on disposal of Investment in Associates	-	-	(70,021)
Impairment loss on unquoted Investments	-	-	803,026
Un-realized Gain on disposal of Investment in Associates	-	-	(1,138,994)
Adjusted Profit / (Loss)	**1,191,350**	**681,270**	**914,067**
Changes in operating assets and liabilities:			
Decrease / (increase) in Investment securities	(7,680,554)	884,239	(173,968)
Decrease / (increase) in Investment Revaluation	5,644,309	16,556	-
Adjustment for Unrealized F/X	(5,836)	9,316	-
Receivables - WIDE BASE	-	-	-
Other Receivables	-	-	-
Interest Receivable	-	-	-
Accounts Payables & Other Liabilities	-	-	-
Accounts Payables & Other Liabilities	-	-	-
Accounts Payables & Other Liabilities	-	-	-
Interest Payable	-	-	-
Margins with Overseas Brokers	-	-	-
Taxation Payable	-	-	-
(Decrease) / increase due from parent company	-	-	-
(Decrease) / increase due from parent company	-	-	-
Decrease / (increase) in Receivables	81,797	(24,457)	(145,641)
Decrease / (increase) in Payables	304,434	(73,130)	*65,440*
Decrease / (increase) in Loans	2,200,000	(791,272)	(771,008)
(Decrease) / increase due to / (from) Related Parties	(498,228)	(518,716)	84,385
Interest received	1,536	55,985	*48,533*
Interest Paid	(41,419)	(17,159)	(21,435)
Taxation paid (deferred tax)	(21,901)	(6,436)	(5,452)
Cash used in Operating Activities	**(15,863)**	**(465,073)**	***(919,145)***
Net Cash used in Operating Activities	***1,175,488***	***216,197***	**(5,078)**
Cash Flows from Investing Activities			
Associate holdings - purchased in the year	-	-	137,264
Dividend received from Associate	-	12,430	12,430
Net Cash Generated from Investing Activities	**-**	***12,430***	**149,694**
Cash Flows from Financing Activities			
Dividend Payment	-	-	-
Share capital -redeemable preference shares	135	-	-
Net Cash used in Financing Activities	**135**	-	-
Increase in Cash and Cash Equivalents	1,175,623	228,627	144,616
Effects of Exchange rate Translation Cash & Cash Equivalents	-	-	(5,615)
Cash & Cash Equivalents - Beginning of the year	194,458	(26,240)	55,457
Cash & Cash Equivalents - End of the year	**1,370,081**	**202,388**	**194,458**

MAYBERRY JAMAICAN EQUITIES LTD.
TOP TEN SHAREHOLDERS
AS AT SEPTEMBER 30, 2018

Names	Shareholdings
MAYBERRY INVESTMENTS LIMITED	**900,861,968**
PWL BAMBOO HOLDINGS LIMITED	**73,214,781**
MAYBERRY ASSET MANAGERS LIMITED	**60,057,465**
K. MARK BERRY	**53,862,834**
KONRAD LIMITED	**6,432,031**
MAYBERRY MANAGED CLIENTS ACCOUNT	**5,084,554**
APEX PHARMACY	**4,817,068**
MAYBERRY INVESTMENTS LTD. PENSION SCHEME	**3,893,377**
GUARDIAN LIFE LIMITED - POOLED PENSION FUND	**3,571,276**
YB AFRAID FOUNDATION LIMITED	**3,571,000**
THE MAYBERRY FOUNDATION LTD.	**3,367,671**

CONNECTED PARTIES

A+ MEDICAL CENTRE	**641,141**

MAYBERRY JAMAICAN EQUITIES LTD.
Shareholdings of Directors and Senior Management
AS AT SEPTEMBER 30, 2018

Directors	Shareholdings	Connected Persons
Christopher Berry	-	82,358,316
Konrad Berry **	53,862,834	7,351,589

** Includes holdings in joint accounts